

APPENDIX 7

ECONOMIC RESOURCES FROM MEXICO APPLIED TO BORDER XXI¹

As illustrated throughout the document, a principal limiting factor confronted by Mexico was the lack of allocated funding for the Border XXI Program. All agencies, except for the *Comisión Nacional del Agua* (CNA, or National Water Commission), which receives annual funding invested specifically for the border region, used their own budgets.

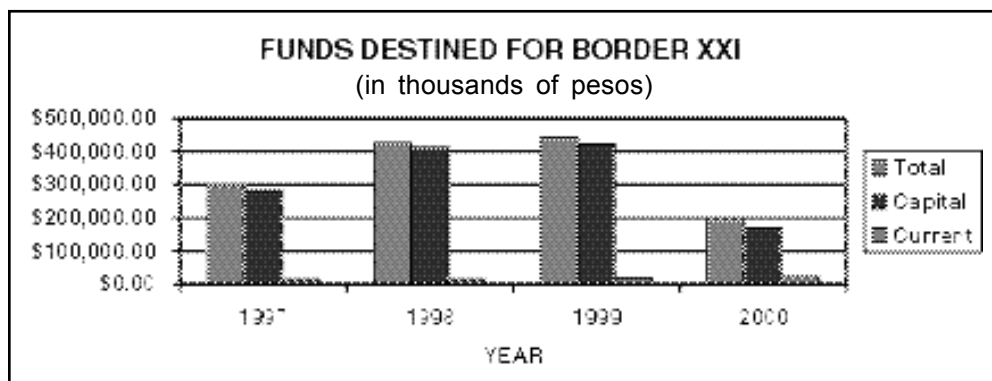
Notwithstanding the aforementioned and considering that the next phase of the program may have its own funding, the following budget quantification exercise was made by various institutions that took part in the program from 1997 to 2000.

The funds exhibited in this exercise are divided into two categories, in accordance with their Classification by Purpose of Expense, and updated by the *Secretaría de Hacienda y Crédito Público* (Treasury Ministry) in May 1992:

The term *Current Expenditures* refers to disbursements of goods, services, and other miscellaneous expenditures incurred by federal government agencies to pay for general and operational costs related to such expenses as wages and benefits; travel and per diem expenses; administrative and operational expenses; office expenses; publications; chemicals; fuel; and other expenses.

The term *Capital Expenditures* refers to all disbursements in goods, services, and other miscellaneous costs intended to increase the capacity of administrative or productive operations of the federal government agencies, which are reflected in an increase of their capital or the aggregate of their fixed assets, including: technology equipment; construction equipment; sundry equipment and machinery; vehicles; laboratory equipment; research, seminar workshops, and consultations; public works; and more.¹

The figure below shows the estimated amount of funds budgeted for the Border XXI Program annually during the 1997-2000 period. For 2000, the amount represents the budgeted funds.



As can be seen, the capital expense component is much larger than the current expense component, reflecting the investments that CNA and the states and municipalities made within the water group.

The figure on the following page shows the funds that were applied for each Border XXI component,

divided according to the two aforementioned categories, with an additional heading for institution-building that has been operated by the Instituto Nacional Ecología (INE, or National Institute of Ecology) within the framework of the Northern Border Environmental Program. Said program represents an environmental project for the region, based on a credit by the World Bank, and by federal, state and municipal funds functioning as a credit counterpart. Some of the activities financed with these funds include: personnel training, provision of equipment for the control and prevention of environmental pollution, and specific studies for the development of an environmental management strategy.

¹ All figures shown, with the exception of the components pertaining to Capital Expense of the Water and Institution-Building Group, have been calculated specifically for this exercise and do not have official validity.

DISTRIBUTION OF FUNDS BY WORK GROUP AND PAFN **
OF BORDER XXI 1997-2000
(THOUSANDS OF PESOS)

Government Agency	Workgroup	Type of Expense 1997			Type of Expense 1998		
		Current	Capital	Total	Current	Capital	Total
INE	Air	615.13	90.00	705.13	615.13	90.00	705.13
Ministry of Health	Environmental Health	778.00		778.00	1,364.50		1,364.50
INE	Pollution Prevention	205.04	30.00	235.04	205.04	30.00	235.04
INE	Hazardous Wastes	745.00		745.00	645.00		645.00
CNA*	Water	1,959.16	156,138.68	158,097.84	2,196.00	238,711.44	240,907.44
States and Municipalities	Water		90,854.00	90,854.00		128,554.00	128,554.00
Subtotal Water		1,959.16	246,992.68	248,951.84	2,196.00	367,265.44	369,461.44
PROFEPA	Law Enforcement	2,024.22		2,024.22	2,630.98		2,630.98
INE	UCANP Natural Resources	5,969.46		5,969.46	2,312.46		2,312.46
INE	DGVS Natural Resources	23.50		23.50	27.54		27.54
Subtotal National Funds		5,992.96		5,992.96	2,340.00		2,340.00
INE	Environmental Information	205.04	30.00	235.04	205.04	30.00	235.04
PROFEPA	Emergency Response	2,007.00		2,007.00	700.00		700.00
UCAI/SEMARNAP	Border XXI Coordination	598.52		598.52	562.52		562.52
INE/PAFN	Institution Building	1,488.88	34,303.41	35,792.29	3,136.95	43,816.60	46,953.55
GRAND TOTAL		14,611.95	281,326.09	295,938.04	13,901.16	411,112.04	425,013.20

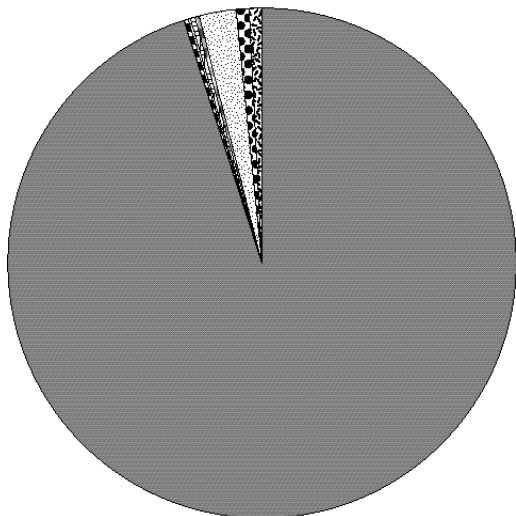
* The amount of funds invested by CNA for the 1997 period, including investments that were made during the period 1995-1997.

** PAFN is the Spanish acronym for Northern Border Environmental Program

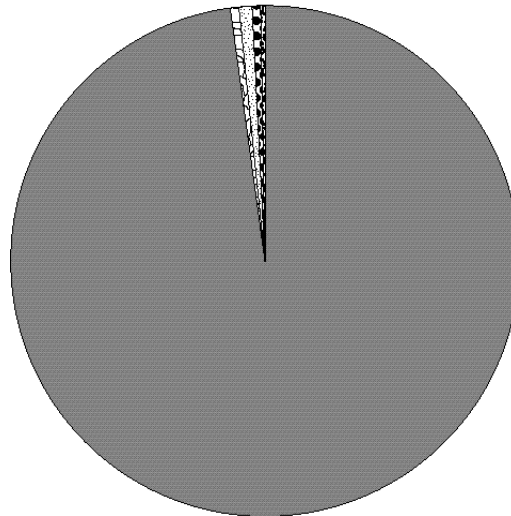
Government Agency	Workgroup	Type of Expense 1999			Type of Expense 2000		
		Current	Capital	Total	Current	Capital	Total
INE	Air	615.13	417.24	1,032.37	500.51	268.63	769.14
Ministry of Health	Environmental Health	1,528.24		1,528.24	1,410.00		1,410.00
INE	Pollution Prevention	94.67	139.08	233.75	104.13	152.25	256.38
INE	Hazardous Wastes	1,290.00		1,290.00	1,419.00		1,419.00
CAN	Water	2,503.44	230,267.31	232,770.75	2,753.78	86,312.00	89,065.78
States and Municipalities	Water		167,363.83	167,363.83		66,719.00	66,719.00
Subtotal Water		2,503.44	397,631.14	400,134.58	2,753.78	153,031.00	155,784.78
PROFEPA	Law Enforcement	3,006.71		3,006.71	3,307.38		3,307.38
INE	UCANP Natural Resources	8,426.69		8,426.69	9,269.36		9,269.36
INE	DGVS Natural Resources	31.40		31.40	34.54		34.54
Subtotal Rec. Nat.		8,458.09		8,458.09	9,303.90		9,303.90
INE	Environmental Information	94.67	139.08	233.75	104.13	152.25	256.38
PROFEPA	Emergency Response	854.00		854.00	939.40		939.40
UCAI/SEMARNAP	Border XXI Coordination	829.43		829.43	912.37		912.37
INE/PAFN	Institution Building		24,195.15	24,195.15	4,963.50	14,468.40	19,431.90
GRAND TOTAL		18,420.37	422,521.69	440,942.06	24,778.71	168,072.53	192,851.24

LIST OF FUNDS PROVIDED BY EACH WORKING GROUP

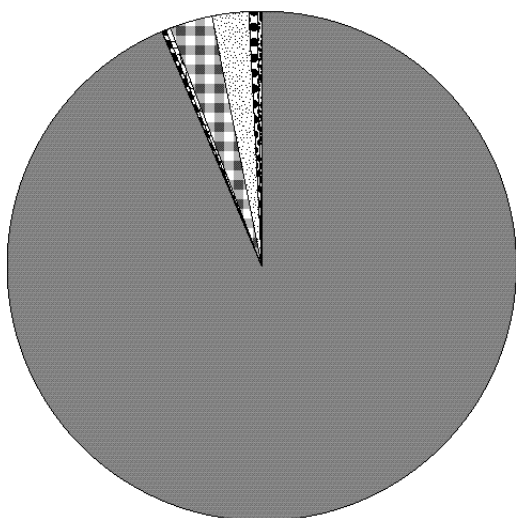
1997



1998



1999



2000

